

# Frequently Asked Questions

## Natural Gas

### 1. What costs make up my natural gas bill?

There are four parts to your natural gas bill

#### 1. Gas Commodity Charge:

The cost of the natural gas that flows through your meter – shown on your bill in measurements of 100 cubic feet (Ccf). This cost accounts for 75% to 80% of your bill. The rate is either regulated by the Michigan Public Service Commission (MPSC), or set by an Alternative Gas Supplier (AGS) if you choose to participate in a Gas Customer Choice Program.

#### 2. Delivery Charge:

The cost of delivering the gas from a central pipeline to your home or business. This charge includes construction and maintenance costs, depreciation costs, operating expenses, taxes, and the company's return on invested capital. This charge is based on the amount of gas used (Ccf) and is regulated by the MPSC.

#### 3. Customer Charge:

A fixed monthly charge that covers the cost of connecting you to the utility's system. This includes the cost of your service line and meter and expenses associated with meter reading, billing, administrative costs, and service line maintenance. This fixed monthly charge is the same no matter how much natural gas you use. This charge is regulated by the MPSC.

#### 4. Sales Tax

The Michigan Department of Treasury requires the utility company to collect 4% sales tax from residential customers and 6% from business customers. Larger cities assess and collect a Utility Users Tax through the energy bills. The utility company collects the taxes from the customers and remits the amounts to the taxing authority.

### 2. Does the natural gas company profit from natural gas price increases?

Increased natural gas prices do not result in any additional profit for regulated natural gas companies. Under Michigan law, the regulated utility sells its natural gas to consumers at the same price that it pays for the gas with no mark-up.

### **3. With higher costs, how can I better manage my energy bill?**

All Commission-regulated natural gas companies offer equal monthly payment plans (or budget plans) to help you manage your winter heating bills by setting your monthly bill at an average amount. You may contact your utility company to establish a payment plan. There are no costs associated with setting up a plan. In addition, there are many ways you can reduce your natural gas usage. Check out the U.S. Department of Energy's brochure [Saving Energy Tips](http://www.eere.energy.gov/consumer/tips/) at <http://www.eere.energy.gov/consumer/tips/>.

### **4. Can the utility company estimate my bill?**

Utility companies are allowed to estimate a bill every other month. However, an estimated bill has to be clearly identified. Utilities may also estimate bills due to weather conditions, meter locations, emergencies, work stoppage or any other circumstances beyond the control of the company. [The Michigan Public Service Commission Billing and Payment Standards](http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002101&Dpt=CI&RngHigh=) can be found at [http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin\\_Num=46002101&Dpt=CI&RngHigh=](http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002101&Dpt=CI&RngHigh=).

The Michigan Public Service Commission's [Consumer Alert on estimated bills](http://www.cis.state.mi.us/mpsc/execsec/alerts/estimate.htm) (at <http://www.cis.state.mi.us/mpsc/execsec/alerts/estimate.htm>) has additional information on estimated bills.

### **5. What programs are available if I'm experiencing difficulty paying my bills?**

#### **Winter Protection Plan**

The Winter Protection Plan protects senior and low-income customers of Commission-regulated natural gas and electric companies, rural electric cooperatives and alternative electric suppliers from electric or natural gas service shut-off and high utility payments between November 1 and March 31. Persons qualify for the plan if they meet any of the following criteria:

- ➡ are age 65 or older, or
- ➡ receive Michigan Department of Human Services cash assistance, or
- ➡ receive Food Stamps or Medicaid, or
- ➡ have a household income at or below 200% of poverty level.

Winter Protection allows eligible low income customers to make monthly payments of at least 6% of their estimated annual bill, along with a portion of any past-due amount, November through March, and avoid shut-off during that time even if their bills are higher. Eligible senior citizens participating in Winter Protection are not required to make specific monthly payments between November 1 and March 31, but are encouraged to do so to avoid higher bills when the protection period ends. At the end of the protection period, both low-income and senior citizens taking part in the plan must pay

off any money owed in installments between April and November in addition to the current bill.

The [procedures for Winter Protection Plan shutoff or termination of service](http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002101&Dpt=CI&RngHigh=) can be found in the Michigan Public Service Commission's Consumer Standards and Billing Practices for Electric and Gas Residential Service, Part 6, Rule 74 ([http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin\\_Num=46002101&Dpt=CI&RngHigh=](http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002101&Dpt=CI&RngHigh=)).

***To apply for the Winter Protection Program, contact your natural gas or electric utility company.***

### **Earned Income Credit**

The Earned Income Credit (EIC) is a special tax benefit for people who work full- or part-time. Those who qualify will owe less in taxes and may get a refund. Even a person who does not generally owe income tax may get a credit, but must file a tax return to do so. Apply for an Earned Income Credit with the U.S. Department of Treasury, Internal Revenue Service (IRS) by filling out Form 1040 or 1040A and attach the EIC when completing Federal Income tax returns. For details, check IRS tax forms for the Earned Income Credit.

***Application forms can be requested from the IRS at 1-800-829-1040 or through its website at [www.irs.gov](http://www.irs.gov).***

### **Home Heating Credit**

Qualified persons may receive a credit to help pay winter heating bills. Apply for a Home Heating Credit if you have a low-income, are receiving public assistance, or are receiving unemployment compensation. Eligible customers must meet guidelines based on household income, exemptions, and heating costs.

*The application form (MI-1040CR-7) can be requested from the Michigan Department of Treasury at 1.800.827.4000, or through its website at [www.michigan.gov/treasury](http://www.michigan.gov/treasury).*

### **State Emergency Relief Program**

This program may help low-income households pay part of their heating or electric bills and may help keep their utilities in service or have service restored. Anyone can apply for help. The program is available year-round.

***Call your local Department of Human Services office for information.***

## **Protection for Customers on Active Duty**

Utility customers or their spouses called to full-time active duty by the President or the Governor during a time of declared national or state emergency or war may apply for shut-off protection for electric or natural gas service for up to 90 days. These customers may reapply for extensions. The utility company may request verification of active duty status. Customers will still be responsible to pay for all services used during the time of protection.

***Contact your utility company for details.***

## **Other Assistance Options**

There are other organizations that can, at times, provide emergency energy bill payment assistance. The Heat and Warmth Fund (T.H.A.W.) provides bill payment assistance to low-income residents in 65 Michigan counties – including the Upper Peninsula. THAW's toll-free referral number is 1-800-866-THAW (8429). The Salvation Army may also be able to provide emergency assistance. Check your telephone book for the nearest center.

## **Programs to Reduce Energy Use**

Using less energy in the home will lower utility bills. Local Michigan Community Action Agencies may help with caulking and insulation, if specific low-income guidelines are met. Check your telephone book or the MCAAA directory at <http://www.mcaaa.org/directory/directory.htm> to locate the Community Action Agency in your area.

### **6. How can I take control over the amount of energy I use?**

By taking a number of no-cost and low-cost measures, you can reduce the amount of your energy usage and save money in the process. Check out the U.S. Department of Energy's brochure [Saving Energy Tips](http://www.eere.energy.gov/consumer/tips/) at <http://www.eere.energy.gov/consumer/tips/>.

### **7. Can a customer avoid disconnection due to a medical illness?**

A utility can postpone the shutoff of service for 21 days at a time. The customer needs to produce a physician's certificate or notice from a public health or a social services official stating that the shutoff of service will aggravate an existing medical emergency with a permanent resident of the premises. This temporary hold will not exceed 63 continuous days in one billing year. Contact your utility company for details.

The rules on Medical Emergency shut off can be found in the Michigan Public Service Commission's [Consumer Standards and Billing Practices for Electric and Gas Residential Service](#), Part 5, Rule 53 at

[http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin\\_Num=46002101&Dpt=CI&RngHigh=](http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002101&Dpt=CI&RngHigh=).

**8. Am I required to give my Social Security Number when applying for new service?**

A utility shall not require a customer or applicant who has prior utility service history with any electric or gas provider in Michigan or elsewhere during the previous 6 years to provide the utility with his or her social security number as a condition of obtaining or continuing a utility service. However, a utility may ask for a picture identification and a copy of the birth certificate which is normally done in person.

**9. My natural gas service was switched to another company without my authorization, what should I do?**

It is a violation of Michigan law for a natural gas company to switch your service without your authorization, otherwise known as “slamming”. If your natural gas service is slammed, file an informal complaint with the Michigan Public Service Commission. If the investigation shows that you were not switched due to a clerical error, you can file a formal complaint with the Commission (i.e., request a hearing). The penalties associated with slamming can be found at

[http://www.legislature.mi.gov/\(umdhium2ceupmwnd0sos2t55\)/documents/2001-2002/publicact/pdf/2002-pa-0634.pdf](http://www.legislature.mi.gov/(umdhium2ceupmwnd0sos2t55)/documents/2001-2002/publicact/pdf/2002-pa-0634.pdf).